

### AFGHANISTAN SITUATION

I. Within past 15 months, Afghanistan has been transformed from independent buffer kingdom, having most of its contacts with West, into embittered nation, united in policy ("liberation" for Pushtoonistan) which threatens both to rupture relations with southern neighbor and traditional trade outlet, Pakistan, and to bring Afghans perilously close to Soviet camp.

A. Pushtoonistan issue, which in most extreme form demands independence for one-fifth the people, one-half the territory of West Pakistan, became really serious after Sep '53, when fiery princeling Daud Mohammad Khan became Prime Minister, made Pushtoon independence major Afghan policy.

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- B. Although Afghans are sincere, Pushtoon issue in many ways a phony. Example, although some 5 million Pushtoons dwell on Afghan side of border, Afghan program does not envision any "liberation" for these tribesmen, who would remain Afghan "nationals".
- C. Instead, "independence" for Pushtoons is confined in Afghan view exclusively to the 6 million tribesmen who dwell on Pakistan side of border (see map). Further, the area of Pakistan which Afghans claim to be proper extent of "independent" Pushtoonistan actually includes many non-Pushtoons.
- D. Finally, the Pakistan-resident Pushtoon tribesmen, on whose behalf the Afghans are agitating, are not particularly interested in national independence, and all "official" Pushtoonistan propaganda emanates from Kabul.
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II. First straws in shifting wind were series

of '54 Afghan credit agreements with Czechs, Soviets (\$11.8 million for development projects), increased barter trade with Bloc.

A. Next, inflammatory speech by Daud (Mar '55) provoked Afghan mob attacks on two Pak diplomatic posts, started bitter quarrel.

B. Paks forbade Afghans use of normal trade route to sea, in hopes this pressure would force Daud's removal.

C. Daud countered by importing most vital needs (gasoline, cement) from USSR, arranging to use trans-Soviet routes for trade. Simultaneously, Afghans received new offers Soviet aid.

III. Although nominal "settlement" of Afghan-Pak dispute (Sep '55) left Daud humiliated and Pushtoon issue somewhat submerged, hoped-for return to normal failed to materialize: instead, Afghans continued dealing with Bloc.

A. Transit routes through USSR: terms of

June '55 agreement with Soviets apparently liberal: shipment to and from Europe via Black Sea and Baltic ports is shorter and faster.

1. Examples (see map): Kabul-Hamburg--

(via Indian Ocean) - 8,500 mi.

(via Black Sea)- - - 5,700 mi.

(via Baltic) - - - - 4,400 mi.

B. Soviet petroleum imports: present

Afghan non-interest in shipments Western POL via Pakistan indicates increased reliance on POL from USSR.

C. Arms aid: good evidence of \$3 million cash deal with Czechs in Aug '55, with arms now reportedly being delivered via USSR.

IV. To rally support, Daud had King Zahir summon Grand Assembly of Tribes, <sup>IN MID-NOV '55</sup> (third such in 25 years), won approval for his Pushtoon program.

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- A. Although some opposition on grounds Pushtoon matter an unfortunate quarrel between brother Moslems, Assembly declared that--in view of support for Paks from certain "great powers"--Daud should implement Pushtoon program by "any and all possible means," with any assistance "honorably procurable."
1. Issue of whether aid from Bloc "honorable" quickly settled by citation Egyptian arms deal, willingness of Saudi "custodians of holy places" to approach Bloc.
- B. Although King Zahir had received a personal letter from President Eisenhower, offering his assistance for any effort to block Daud's Soviet-oriented proposals to the

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portunity by turning the letter  
over to Daud.

1. Daud reportedly read the letter  
aloud to the Assembly, commenting  
that, since US assistance was pred-  
icated on Afghan abandonment of  
the Pushtoon issue, the offer  
was of little value.

2. King's reply to President, handled  
in perfunctory fashion, <sup>ALSO</sup> reflected  
Afghan obsession with Pushtoon  
problem.

C. Thus, Daud has gained nationwide sup-  
port, been given free hand in foreign  
policy, turned his Pushtoon program  
into Afghan national objective.

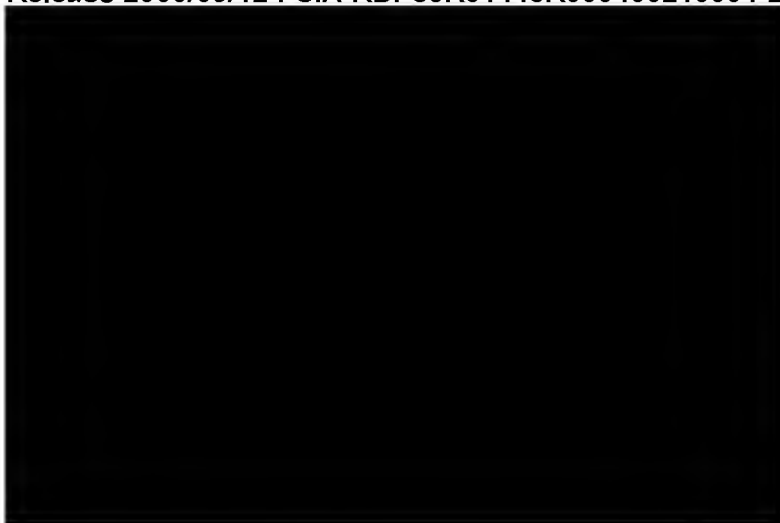
1. One possible consequence his new  
strength--27 Nov forced resignation  
Gen. Arif, Defense Minister, and  
assumption Defense portfolio by

2. Royal family, long considered

stronghold of Afghan conservatism,  
apparently closing ranks around  
Daud.

V. Main US investment in Afghanistan is  
Helmand Valley Development (see map),  
financed by some \$40 million EX-IM Bank  
funds and under construction by Morrison-  
Knudsen. Although Helmand project sought  
by Afghans, they now increasingly critical  
of costs and long-term nature, and desirous  
of revisions.

A. US Embassy Kabul has forwarded "uncon-  
firmed reports from various good  
sources" that USSR has offered to take  
over Helmand project, pay off EX-IM  
loan for Afghans, accept repayment in  
Afghan exports (EX-IM deal involves  
dollar payments at 4%).



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C. Meanwhile, some on-spot aspects  
Helmand project souring: example--  
nomads who have been settled in  
area, in expectation farming lands  
to be brought under irrigation,  
already drifting off. Reported-  
ly, as many as 40% of                       
nomads settled already deserted  
project.



VI. Although Daud and rest of Afghans almost certainly want to remain independent of the Bloc, Afghanistan's determination to pursue its anti-Pakistan policies at almost any cost has already led it to compromise its traditional "buffer state" position. The drift toward the Bloc has strong unfavorable strategic implications for the West.

A. Closer Bloc ties would, to all intents, make Afghanistan a hostile salient in middle of "Northern Tier."

1. Shah of Iran on 28 Nov expressed concern over this problem to Ambassador Chapin: Turks also perturbed.

B. Bloc aid to Afghans (arms, money) could permit extension of already active Afghan bribery of Pushtoon border tribes, promote further Pakistan border incidents.

C. Most logical Pakistani counter-measure --incitement of Pusht<sup>own</sup> tribes<sup>(MAJORITY)</sup> on its ~~OWN~~ side of border, forceable overthrow of Daud regime--is blocked by fear such action would only create chaos in Kabul, open door to direct Soviet "intervention" under terms its treaties with ~~Kabul~~.

VII. The USSR, for its part, is probably content to have Afghanistan remain nominally independent, so long as Afghan tendency to drift away from West, toward Bloc continues.

A. Thus, we do not expect the USSR to take early action to secure ~~firm~~<sup>(OVERT)</sup> control of Afghanistan, either by subversion or direct military intervention.

B. However, Soviets will almost certainly act vigorously to maintain and develop their present favorable position.

BACKGROUND--EAST BERLIN

- I. Using the 27 Nov incident of detention of a US party travelling in a radio-equipped car in East Berlin as an excuse, the East German Communist regime is trying to assert its sovereignty over East Berlin.  
*E.g.*
  - A. The regime has indicated that it intends to restrict Allied access to this part of the divided city.
  - B. The assertion (29 Nov) by General Dibrova, Soviet commandant in Berlin, that East Berlin is an integral part of the "German Democratic Republic" threatens to put an end, for all practical purposes, to the Western allies' ability to exercise their quadripartite rights in East Berlin.

II. Dibrova's assertion opens the way to East

Germany to interfere with Allied travel in East Berlin to the same extent that it is prepared to do so within East Germany and provides an opportunity to attempt to force Britain, France and the United States to deal directly with East German authorities.

A. A statement on 30 Nov by Bruno Baum, East German party leader, that Allied vehicles would no longer be permitted to wander about in East Berlin suggests that restrictions on Allied movements in the Soviet Sector are contemplated.

B. For past six months, the East Germans have frequently complained about "espionage centers" maintained by Western powers in West Berlin and have threatened to take countermeasures that would bring "hardships" to the West Berliners.

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C. The East Germans have taken various measures to prevent their subjects from entering West Berlin, and--now that it has asserted sovereignty over East Gerlin--stricter controls at the East-West Berlin coundary can be expected.

Escapes so far in '55

Total 138, 184

of which 37, 391 17-25  
yr old  
(males?)

recent controls have  
reduced

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BACKGROUND--FRANCE'S CABINET CRISIS

- I. Size of 29 Nov opposing vote in French premier Faure's overthrow (319-219 against his motion to advance date of National Assembly elections to February) has made it possible for cabinet to dissolve Assembly. On 30 Nov, cabinet so decided.
  - A. Faure opposed by Communists, Socialists, Gaullist Social Republicans, ~~and~~ Mendes-France Radical Socialists, ~~AND~~ scattered conservative votes.
  - B. Opposition had not anticipated constitutional majority against government (312 votes).
  - C. Faure supported by Popular Republicans, most of rightists and other half of Radical Socialists.

- II. Mendes-France forces still trying to block dissolution: already trying take advantage of anticipated delay in official announcement of dissolution (to avoid holiday elections).

A. Socialists and Radical Socialists

attempting to ram through electoral reform to permit single-deputy districts.

B. Vote of censure to oust Faure may result.

III. If Faure wins out, he will use constitutional provision--for first time in history of IVth Republic--which permits cabinet to dissolve Assembly if two governments are overthrown by absolute majorities on formal votes of confidence within an 18-month period.

A. Mendes-France lost by 319-273 on 5 Feb '55.

B. When dissolution is officially decreed by President of France:

1. Faure government will remain in caretaker status.

2. Elections will be held within

20 to 30 days from official date  
of Presidential decree.

3. 8 January likely date.

IV. Electoral system used in 1951 will  
apply, i.e.:

- A. Party lists in each department,  
rather than single-deputy districts.
- B. Parties permitted to affiliate lists  
so that their votes can be counted  
as a unit.
- C. Any party slate or affiliated slates  
obtaining majority of votes cast  
would get all the seats in the depart-  
ment.
- D. Otherwise, seats are divided by pro-  
portional representation.

V. 1951 system, although originally adopted  
in hope of cutting Communist strength,  
is expected to favor PCF this time.



A. In many departments, Socialists may be forced to form alliances with Communists, to avoid their own elimination by center-right affiliated lists.

B. Affiliations between center and non-Communist left expected to be too weak to sweep in many departments, with result that proportional representation--favoring Communists--will apply.

C. Under the single district system favored by Mendes-France Communist strength would probably be cut nearly in half.

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Next 1 Page(s) In Document Exempt

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THAILAND

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- I. [REDACTED] change of some  
significance in Thailand's "ideological  
climate."

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- A. Although not yet reflected in official  
foreign policy, [REDACTED] Thai  
leaders [REDACTED]

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[REDACTED] are antici-  
pating "new arrangements" among Great  
Powers.

- B. Impact of Johnson-Wang Geneva talks  
"considerable" in Thailand.

1. Thais doubt US would be "wasting  
time" at Geneva if not seeking "new  
arrangement."

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II.

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[REDACTED] Thailand will eventu-  
ally "slide" into a position closer to that

- A. Prime Minister Phibun, who makes Thai foreign policy, obviously remembers Western efforts jockey him into anti-Jap position in '41, without troops to back it up.
- B. Also recalls his quick recognition by US when he seized power after war, and is apparently convinced that fait accompli efficacious in dealing with Washington.
- C. Among motives for "slide", cites appeal of cheap goods and increased trade with ChiComs, desire to avoid entanglement with affairs of Great Powers, and general popularity of moves that show Thailand "as independent as anyone else."
- D. Another factor motivating Phibun: nearing end of career, he probably disquieted by comparisons between (as wily politician) and neighbors U Nu and Nehru (as world statesmen).

E. Phibun visiting Rangoon 14 Dec: while he will miss Bulganin-Khrushchev party, effects of that visit may set tone for his talks with U Nu.

III. Meanwhile tension high in Bangkok, with General Phao--once-powerful police chief and good friend of US--being pushed further aside.

A. Papers under Phibun's control printing articles bitterly critical of Phao.

B. Phao, in turn, nervous and upset:

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[REDACTED] he must either make "arrangement" with Phibun, resign, or attempt a coup.

1. Success of coup doubtful so long as Army backs Phibun.


2. As for resignation, Phao almost as dangerous to Phibun on outside as

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in [REDACTED]

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- C.  Phao doing best  
ingratiate self with Phibun, reestablish  
old relationship.
- D. Nonetheless, political tension running  
high.

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